

CHAPTER 266

TAXATION

HOUSE BILL 19-1162

BY REPRESENTATIVE(S) Pelton and Valdez D., Bockenfeld, Arndt, Buck, Buentello, Caraveo, Catlin, Duran, Esgar, Gray, Hooton, Kipp, Liston, McLachlan, Roberts, Soper, Titone, Valdez A., Van Winkle, Wilson;
also SENATOR(S) Sonnenberg and Garcia, Bridges, Coram, Crowder, Danielson, Donovan, Gardner, Ginal, Hisey, Lundeen, Priola, Rankin, Smallwood, Tate, Todd, Williams A., Winter, Woodward.

AN ACT

CONCERNING THE EXTENSION OF THE STATE SALES AND USE TAX EXEMPTION FOR FARM EQUIPMENT TO EAR TAGS AND EAR TAG SCANNERS USED BY A FARM OPERATION TO IDENTIFY OR TRACK FOOD ANIMALS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 29-2-105, **amend** (1)(d)(I)(F) as follows:

29-2-105. Contents of sales tax ordinances and proposals - repeal. (1) The sales tax ordinance or proposal of any incorporated town, city, or county adopted pursuant to this article 2 shall be imposed on the sale of tangible personal property at retail or the furnishing of services, as provided in subsection (1)(d) of this section. Any countywide or incorporated town or city sales tax ordinance or proposal shall include the following provisions:

(d) (I) A provision that the sale of tangible personal property and services taxable pursuant to this article 2 shall be the same as the sale of tangible personal property and services taxable pursuant to section 39-26-104, except as otherwise provided in this subsection (1)(d). The sale of tangible personal property and services taxable pursuant to this article 2 shall be subject to the same sales tax exemptions as those specified in part 7 of article 26 of title 39; except that the sale of the following may be exempted from a town, city, or county sales tax only by the express inclusion of the exemption either at the time of adoption of the initial sales tax ordinance or resolution or by amendment thereto:

(F) The exemption for sales of farm equipment and farm equipment under lease

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

or contract specified in section 39-26-716 (2)(b) and (2)(c). ~~C.R.S.~~; THE EXPRESS INCLUSION OF THE EXEMPTION BY A TOWN, CITY, OR COUNTY BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (1)(d)(I)(F), AS AMENDED, DOES NOT EXEMPT FROM THE TOWN, CITY, OR COUNTY SALES TAX ANY VISUAL, ELECTRONIC IDENTIFICATION, OR MATCHED PAIR EAR TAGS AND ELECTRONIC IDENTIFICATION READERS USED TO SCAN EAR TAGS THAT ARE USED BY A FARM OPERATOR TO IDENTIFY OR TRACK FOOD ANIMALS, INCLUDING ANIMALS USED FOR FOOD OR IN THE PRODUCTION OF FOOD, THAT WERE ADDED TO THE DEFINITION OF "FARMEQUIPMENT" SET FORTH IN SECTION 39-26-716 (1)(d) BY HOUSE BILL 19-1162, ENACTED IN 2019, AND THEREBY EXEMPTED FROM STATE SALES AND USE TAXES BUT SUCH A TOWN, CITY, OR COUNTY MAY EXPRESSLY EXEMPT SUCH ITEMS BY A SUBSEQUENT AMENDMENT TO ITS SALES TAX ORDINANCE OR RESOLUTION.

SECTION 2. In Colorado Revised Statutes, 39-26-716, **amend** (1)(d) introductory portion as follows:

39-26-716. Agriculture and livestock - special fuels - definitions. (1) For purposes of this section, unless the context otherwise requires:

(d) "Farm equipment" means any farm tractor, as defined in section 42-1-102 (33), ~~C.R.S.~~; any implement of husbandry, as defined in section 42-1-102 (44), ~~C.R.S.~~; and irrigation equipment having a per unit purchase price of at least one thousand dollars. "Farm equipment" also includes, regardless of purchase price, attachments and baling wire, binders twine, and surface wrap used primarily and directly in any farm operation. On and after July 1, 2000, "farm equipment" also includes, regardless of purchase price, parts that are used in the repair or maintenance of the farm equipment described in this ~~paragraph (d)~~ SUBSECTION (1)(d), all shipping pallets, crates, or aids paid for by a farm operation, and aircraft designed or adapted to undertake agricultural applications. On and after July 1, 2001, "farm equipment" also includes, regardless of purchase price, dairy equipment. ON AND AFTER SEPTEMBER 1, 2019, "FARMEQUIPMENT" ALSO INCLUDES, REGARDLESS OF PURCHASE PRICE, ANY VISUAL, ELECTRONIC IDENTIFICATION, OR MATCHED PAIR EAR TAGS AND ELECTRONIC IDENTIFICATION READERS USED TO SCAN EAR TAGS THAT ARE USED BY A FARM OPERATION TO IDENTIFY OR TRACK FOOD ANIMALS, INCLUDING ANIMALS USED FOR FOOD OR IN THE PRODUCTION OF FOOD. Except for shipping pallets, crates, or aids used in the transfer or shipping of agricultural products, "farm equipment" does not include:

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 23, 2019